

# Discussing cross-borders of creative and traditional industries - spillover effects

---

By Kristiina Urb

The following text is a response to ecce's (european centre for creative economy in Dortmund) call for papers and statements on "to be debated SPILLOVER" with an aim to take part in the debate on spillover effects and address unsolved terminology and methodology issues.

I will base the following discussion about the term on my personal experience, gathered from and synthesized by observations, research and practical encounters.

## WHAT SPILLOVER EFFECT IS?

In the broadest terms I will define spillover effect as an attempt to leverage skills and knowledge emerging from the ventures within the creative industries for the benefit of the others outside of the venture itself in various ways. I will use terms "initial sector/venture" and "beneficiary sector/venture" for addressing the initiator of and the stage for the spillover effect (e.g. player within creative industries) and the outer party that benefits from it.

Spillover effect is a complex term, which may hold characteristics common for and to be used as a tool, method and a result. Approaching spillover effect as a tool we have a way to measure impacts of the venture outside of its orbit - what influence it has on other sectors and players. It gives us a quantitative tool to be used to describe results and aftereffects of the venture outside of its origin territory. For example how having a filming location in a region echoes in revenue numbers of nearby accommodation providers, restaurants, transfer services and etc.

As a method spillover effect becomes desired aim with the relevant nexus helping to achieve it. I would propose the nexus consists of for example knowledgeable R&D, planning and designing, management as well as marketing (this listing is not of course exhaustive). All components within this nexus are operating and contributing to bring about the desired spillover effect, may it be the new knowledge, economic success in a field, development of the region or something else relevant for the players. Therefore it is obvious that different purposes demand various forms of nexuses - methods - to achieve the craved spillover effect. It would be appropriate to research these forms further to recognize the potent ones.

As a result spillover can be a self-inflicted autonomous side-product of a venture or in contrary - a managed and directed outcome of a conscious approach. I believe in everyday life both exist but the latter one is substantially more beneficial and should be more focused on. How can we predict, foster, manage and route spillover effect in a favorable direction, as adequately as

possible? I believe this is one of the key research subjects of the spillover effect. We would need models and methods to apply on creative ventures from the beginning to assure relevant and aimed spillover effect, which should be more than a mere unexpected side-effect. The ambition should be to employ the full potential spillover effect may have.

I believe by its nature spillover effect holds its three characteristics (tool, method, result) simultaneously and they are not to be separated. Lack of better knowledge may prevent from using and benefitting from all three characteristics, which of course does not mean they lack to exist. Awareness of evoking and managing the spillover effect as part of the ventures in creative industries should be increased and for example addressed as part of the higher education. This is a subject to invest into as generating beneficial spillover effects seems to be almost intrinsic part of creative industries.

### **WHERE CAN WE SPOT IT?**

Now I would like to discuss further about what I see one type of spillover effect of creative industries and why I find it important. Initial sector/venture here is as already mentioned creative industry and the beneficiary one traditional industry that advances from innovative knowledge building and transfer.

I believe management and business models within creative industries prove to be very fruitful ground for new kind of entrepreneurial approaches as well as innovative business models and methods to emerge and should be implemented by start-up and incumbent companies outside of creative industries as well. New profitable tools, in the broadest term, stemming from ventures in creative entrepreneurship and therefore becoming available for traditional industries to use as well are in this case the spillover effect.

One idea, which feeds into this belief is the notion, made by dr. Eleonora Belfiore during interviewing her, that project managers are often more motivated in creative sector. When we broaden this statement we can say entrepreneurial and managerial activities in the sector are carried out by the greater level of motivation, which should result in substantially improved outcomes. Whether this is true or not should be researched further but when this proves to be the case it is definitely the ground for new beneficial models from creative sector to stem and to be disseminated in traditional industries as well. I believe researching what triggers and feeds into this motivation and is it possible to build from it some generic methods and approaches is relevant as this could be a source for one kind of spillover effect from creative industries to emerge.

In addition to motivation according to various researches (for example "Creative entrepreneurs' perceptions about entrepreneurial education" by Päivi Karhunen, Urve Venesaar et al.) creative people engaging in entrepreneurship tend to lack the knowledge about management. It can be seen as a weakness but it can also trigger innovative solutions, which prove to be successful. We should locate and map this kind of new knowledge building to disseminate it across the sector as other types of ventures can also benefit from them. This again is, I believe one of the many spillover effects emerging as a result of creative entrepreneurship.

## **CAN SPILLOVER EFFECT BE NEGATIVE?**

I believe there is no plain answer to it and the subject is rather relative and falls into the same category as "is every publicity a good publicity". For example can we regard spillover effect to be negative when the perceived image of a festival contradicts greatly with the image built for the city it is held in? I guess in case we agree that all publicity is rather good then we can omit discussing this aspect further.

## **CONCLUSION**

The paradigm surrounding the term spillover effect in creative industries is in a rather infant stage and needs to be analyzed and formulated. My previous discussion is an aim to contribute to it.

I have defined the term spillover effect as an attempt to leverage skills and knowledge emerging from the ventures within the creative industries for the benefit of the others outside of the venture itself in various ways. It has two parties - "initial sector/venture" and "beneficiary sector/venture", first one being the provoker of the spillover effect and the latter one the party that benefits from it.

I believe spillover effect has three main characteristics - tool, method, result - and that they always exist together and are inseparable. Therefore it is crucial to learn more about all three of them and invest into developing conscious spillover effect management, first through relevant research and later as a part of the higher education.

It is important to notice, map and research the new knowledge building in creative industries when it comes to entrepreneurship and management as this may result in spillover effect in a form of new productive models and methods to be implemented by other industries as well. This innovative knowledge building may be a result of the greater level of motivation as well as lack of familiarity with common methods employed in traditional industries.

I will end my discussion with a notion about spillover effect being very important subject in creative industries for further research, to develop and to mature the paradigm surrounding it.